

Our Sustainability Data Supplement



ARM Holdings plc Supplement to Annual Corporate Responsibility Report 2015

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A copy of the Strategic Report
can be downloaded from:
www.arm.com/reporting



A copy of the Governance and Financial Report
can be downloaded from:
www.arm.com/reporting



A copy of the Corporate Responsibility Report
can be downloaded from:
www.arm.com/reporting

Sustainability in a connected world

This report is a supplement to the 2015 ARM Corporate Responsibility Report: Sustainability in a Connected World. This supplement presents additional information and data that meet the requirements of the Global Reporting Initiative (GRI) G4. This supplement also includes information relevant to the requirements of the United Nations Global Compact (UNGC) Advanced Communication of Progress (COP) self-assessment.

Reporting in accordance with GRI G4

Our 2015 reporting has been prepared in accordance with the GRI G4 Sustainability Reporting Guidelines at the Comprehensive level.

The GRI G4 Guidelines were released in 2013. It is a framework for reporting on the economic, social and environmental performance of an organisation. The Guidelines consist of principles for defining report content and ensuring the quality of reported information together with information relating to performance indicators and other disclosure items. The Guidelines are developed through a global multi-stakeholder process involving representatives from business, labour, civil society and financial markets, as well as auditors and experts in various fields.

The Guidelines emphasise the importance of materiality as the basis for determining report content. Materiality is defined as the threshold at which sustainability issues become sufficiently important that they may substantively influence the assessments and decisions of the business and its stakeholders. On this basis, they should therefore be publicly reported. This approach means that organisations and report users can concentrate on the sustainability impacts that matter, resulting in reports that are more strategic, focused, credible and easier for stakeholders to navigate.

Further detail on the GRI and, its aims, objectives and structure, together with the full GRI G4 Guidelines, are available at www.globalreporting.org.

Communication of Progress in implementing the UN Global Compact Principles

ARM is represented on both the global LEAD and UK network advisory boards of the UNGC, keeping us in touch with our peers and informing us on how we can best contribute to sustainability in our immediate operations, our ecosystem and with wider society. As a Global Compact LEAD company, we submit an annual Communication on Progress (COP) against the 21 advanced criteria that support the ten Global Compact principles. To meet the Advanced criteria we are required to apply at least one of the best practices listed under each of the 21 criteria.

Requirement of the COP

1. Statement by the CEO expressing continued support for the Global Compact and renewing the ongoing commitment of the organisation to the initiative and principles. This has been prepared and will be submitted under separate cover from 30 March 2016, at www.unglobalcompact.org/participant/12151-ARM-Holdings-plc.
2. A description of practical actions that the Company has taken to implement the Global Compact principles. These are included within the Corporate Responsibility Report.
3. A measurement of outcomes, which are included within the main 2015 Corporate Responsibility Report.

Key to location references in the tables:

CRR	2015 Corporate Responsibility Report
CRS	2015 Corporate Responsibility Report Supplement
SR	2015 Strategic Report
GFR	2015 Governance and Financial Report
Other	As defined

Global Compact Advanced COP Self-Assessment

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory notes	Location
Strategy, Governance and Engagement	Implementing the ten principles into Strategies and Operations.	Criterion 1: The COP describes mainstreaming into corporate functions and business units.	Environment and anti-corruption are embedded into our policies. Human rights and labour are represented by the culture and business ethics of ARM.	GFR. Page 15 CRR. Pages 47 and 48
		Criterion 2: The COP describes value chain implementation.	ARM creates value through collaboration and partnership with its ecosystem of over 1,000 companies. ARM designs are used by its Partners in the ecosystem to enable energy-efficient technologies ranging from servers, smartphones and tablets to smart meters and sensors.	CRR. Pages 8 and 9
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.	In 2013, ARM worked with Shift, a specialist non-profit organisation working on business and human rights, to understand more about this area and the key guidelines provided by the UN Guiding Principles on Business and Human Rights. Based on this work, we have adopted a general Human Rights Policy. This is in addition to related existing policies including those on conflict minerals, business ethics and discrimination. These policies remain relevant and are reviewed on an annual basis to ensure they remain appropriate to the organisation, its people and Partners.	See the detailed GRI G4 disclosures provided in this supplement on pages 37 to 39 and page 47
		Criterion 4: The COP describes effective management systems to integrate the human rights principles.	As above. See also the CRR and supporting information within the GFR.	GFR. Page 15 CRR. Pages 47 and 48
		Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration.	As above. See also the CRR and supporting information within the GFR.	GFR. Page 15 CRR. Pages 47 and 48

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory notes	Location
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour.	This reporting supplement contains our detailed disclosures in respect of labour and human rights policy and approach based on the GRI G4 reporting framework.	CRS. Pages 46 and 47
	Principle 4: The elimination of all forms of forced and compulsory labour.	Criterion 7: The COP describes effective management systems to integrate the labour principles.	This reporting supplement contains our detailed disclosures in respect of management systems supporting labour principles based on the GRI G4 reporting framework.	CRS. Pages 46 and 47
	Principle 5: The effective abolition of child labour. Principle 6: The elimination of discrimination in respect of employment and occupation.	Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration.	See the 2015 CRR and statements on governance and approaches to managing people included in this supplement on page 46. Refer also to our description of employee engagement within the CRR on pages 36 to 37. During 2015 ARM attended Human Rights awareness training focusing on child human rights organised and delivered by UNICEF. This training formed the basis of an internal assessment on child related human rights risks within ARM's core business and direct business activities. We concluded that there are no significant risks in relation to child human rights, including child labour for ARM.	CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 31 to 37 and pages 46 and 47
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship.	See the 2015 CRR and statements on governance and approaches to managing environmental issues included in this supplement.	CRR. Pages 48 and 49 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 24 to 28 and pages 44 and 46
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Criterion 10: The COP describes effective management systems to integrate the environmental principles.	See the 2015 CRR and statements on governance and approaches to managing environmental principles included in this supplement.	CRR. Pages 48 and 49 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 24 to 28 and pages 44 and 46
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	See the 2015 CRR and statements on governance and approaches to managing environmental stewardship included in this supplement.	CRR. Pages 48 and 49 CRS. See the detailed GRI G4 disclosures provided in this supplement, pages 24 to 28 and pages 44 and 46

Global Compact Advanced COP Self-Assessment Continued

Scope	GC Principle	Criteria for GC Advanced Level	Explanatory notes	Location
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption.	Anti-corruption policy is included within the ARM Code of Business Conduct and Ethics. In addition, specific anti-bribery policies and anti-competitive behaviour policies have been introduced in 2014 and included in mandatory training and sign-off for all employees.	GFR. Page 15
		Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle.	Adherence and general oversight on anti-corruption is the responsibility of the Compliance Committee that operates within the overall corporate governance structures at ARM.	GFR. Pages 14 to 15
		Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	As above. In addition, any grievance or concern can be raised in accordance with the grievance policy and procedures, or through the confidential whistleblowing mechanisms in place at ARM.	GFR. Page 15
UN Goals and Issues	Taking action in support of broader UN Goals and Issues.	Criterion 15: The COP describes core business contributions to UN goals and issues.	ARM is committed to supporting the ten principles of the UN Global Compact and related declarations, policies and standards. See also the CEO Statement and commitment to UNGC, submitted under separate cover and available from 30 March 2016 at www.unglobalcompact.org/participant/12151-ARM-Holdings-plc .	CRS
		Criterion 16: The COP describes strategic social investments and philanthropy.	See the 2015 CRR for details of strategic approach to social investment and philanthropy and examples of supported projects in 2015.	CRR. Pages 10 to 45
		Criterion 17: The COP describes advocacy and public policy engagement.	See the 2015 CRR.	CRR. Page 19
		Criterion 18: The COP describes partnerships and collective action.	ARM is represented on both the global LEAD and UK network advisory boards. ARM also collaborates with commercial and non-commercial Partners in conducting its business activities and in its charitable and philanthropic work.	CRR. Pages 10 to 45

<i>Scope</i>	<i>GC Principle</i>	<i>Criteria for GC Advanced Level</i>	<i>Explanatory notes</i>	<i>Location</i>
Governance	Corporate sustainability governance and leadership.	Criterion 19: The COP describes CEO commitment and leadership.	A separate, dedicated declaration of commitment to the UNGC and to implementing the ten principles will be submitted as part of our COP to be available on www.unglobalcompact.org .	www.unglobalcompact.org participant/12151-ARM-Holdings-plc
		Criterion 20: The COP describes Board adoption and oversight.	See the 2015 GFR for detailed information on Board structure, responsibilities, activities and evaluation.	GFR. Pages 6 to 16 CRR. Pages 46 and 47
		Criterion 21: The COP describes stakeholder engagement.	In 2014, we began a process to improve our approach to stakeholder engagement, this has continued during 2015. As our business grows, the number of stakeholders across our stakeholder groups also grows. In particular this involves the number of commercial Partners, suppliers and our own employees. For further details see the 2014 CRR.	CRR. Page 18 CRS. Pages 13 to 16

Note that we have not reported against the follow-up questions relating to Business and Peace because we do not have operations in high-risk or conflict-affected areas.

Global Reporting Initiative (GRI) G4 content index

General Standard Disclosures

The following General Standard Disclosures are applicable to ARM Holdings plc, also referred to as the "Group", unless otherwise specified.

The General Standard Disclosures are divided into seven parts according to the GRI G4 guidance: Strategy and Analysis, Organisational Profile, Identified Material Aspects and Boundaries, Stakeholder Engagement, Report Profile, Governance, and Ethics and Integrity.

These Standard Disclosures provide a general strategic view of ARM's approach to sustainability.

Key to location references in the tables:

CRR: 2015 Corporate Responsibility Report

CRS: 2015 Corporate Responsibility Report Supplement

SR: 2015 Strategic Report

GFR: 2015 Governance and Financial Report

Other: As defined

Where no page reference is provided, the relevant information and any explanation is included in the comment column. In exceptional cases, information is omitted from our annual report. In these instances an explanation is provided in the comment column.

GRI G4 Reference and Description	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment	
Strategy and analysis						
G4-1	CEO Statement.	√	–	–	Page 6	Refer to location of disclosure.
G4-2	Key impacts and opportunities.	√	√	–	CRR. Pages 4 and 5 SR. Pages 10 to 14	Refer to location of disclosure.
Organisational profile						
G4-3	Name of the organisation.	–	–	√	Page 60	Refer to location of disclosure.
G4-4	Primary brands, products and services.	–	√	–	Pages 10 to 21	Refer to location of disclosure.
G4-5	Location of headquarters.	–	–	√	Page 60	Refer to location of disclosure.
G4-6	Countries of operation.	√	–	√	CRR. Page 4 and 5 GFR, pages 129 to 131	Refer to location of disclosure.
G4-7	Nature of ownership and legal form.	–	–	√	Page 60	Refer to location of disclosure.
G4-8	Markets served.	–	√	–	Pages 10 to 14	Refer to location of disclosure.
G4-9	Scale of operation.	–	√	–	Pages 3, 5 and 6	Refer to location of disclosure.
G4-10	Number of employees.	√	–	–	Page 4. See also CRS. Page 29	Refer to the CRR for headline employee numbers. Further detail on employees by contract type, grade distribution and gender is included in detailed disclosures below.

GRI G4 Reference and Description		CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
G4-11	Collective bargaining agreements.	–	–	√	Page 46	We do not limit or restrict the rights of our people to freedom of association. The Group does not presently operate any collective agreements with any trade unions.
G4-12	Supply chain description.	–	√	–	Pages 24 and 25	Refer to location of disclosure.
G4-13	Significant changes.	–	–	–	CRS	There have been no significant changes during the reporting period regarding structure or ownership.
G4-14	Precautionary approach.	√	–	–	Pages 10 and 11 CRS. Pages 13 to 22	Refer to location of disclosure.
G4-15	External charters.	√	–	–	Pages 50 and 51	Refer to location of disclosure.
G4-16	Memberships and partnerships.	–	–	–	CRS	ARM is a member of many external associations and industry organisations in the countries in which it operates. Examples include the International Telecommunications Union (ITU), United Nations Global Compact (UNGC), World Economic Forum (WEF) and EngineeringUK. We maintain a register of memberships, associations and subscriptions which we are planning to make publicly available on our external website during 2016.

Identified material aspects and boundaries

G4-17	List of entities.	–	–	√	Page 60	Refer to location of disclosure.
G4-18	Defining report content.	√	–	–	Page 2	Refer to CRS pages 13 to 22 for an overview of the process for stakeholder inclusiveness and determining material issues.
G4-19	List of material issues.	√	–	–	Page 11	See also section below, "Material aspects and boundaries".
G4-20	Define materiality boundaries and limitations.	√	–	–	Page 11	We are a global business. We define our material issues based on our global operations and impacts. We consider that our four material sustainability issues which form our strategic drivers for long-term growth are equally relevant to all countries in which we operate and to all entities within the Group. See also section below, "Material aspects and boundaries", pages 13 to 22.
G4-21	Materiality defined by geography.	–	–	–	CRS	We are a global business. We define our material issues based on our global operations and impacts. In cases where there are localised issues that may be considered locally material, we address them through our approach to engagement with local communities. Therefore these will be included within our material issue of "Communities".
G4-22	Restatements.	√	–	–	CRS	We have not made any restatements during 2015.
G4-23	Significant reporting changes.	–	–	–	CRS	There have been no significant changes from previous reporting periods in the scope and aspect boundaries.

Stakeholder engagement

G4-24	Stakeholder groups.	√	–	–	Page 18 See also CRS	Refer to location of disclosure. We provide a list of seven stakeholder categories which comprise 30 stakeholder groups. For brevity we do not publish a list of all stakeholder groups or the members of those groups. A summary of our stakeholder engagement can be found on pages 13-16 of this supplement.
G4-25	Basis for identification.	√	–	–	Page 18	Refer to location of disclosure. See also pages 13-16 of this supplement.
G4-26	Approach to stakeholder engagement.	√	–	–	Pages 18	Refer to location of disclosure. See also pages 13-16 of this supplement.
G4-27	Key topics raised.	√	–	–	Page 18	Refer to location of disclosure. See also pages 13-16 of this supplement.

Global Reporting Initiative (GRI) G4 content index continued

GRI G4 Reference and Description		CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Report profile						
G4-28	Reporting period.	√	–	–	Page 2	Refer to location of disclosure.
G4-29	Previous report.	√	–	–	Page 2	Refer to location of disclosure.
G4-30	Reporting cycle.	√	–	–	Page 2	Refer to location of disclosure.
G4-31	Contact point.	√	–	–	Rear cover	Refer to location of disclosure.
G4-32	Content index.		–	–	CRS	This supplement represents our GRI content index “in accordance” at the Comprehensive level.
G4-33	Assurance.	√	–	–	Page 47	<p>We have not obtained external independent assurance over our 2014 non-financial reporting. We have requested that our 2015 UNGC COP receives peer review and feedback as part of the UNGC UK Network peer review process for Advanced LEAD reporters.</p> <p>We are in the process of implementing a three-year assurance strategy. This will combine internal and external assurance to help us improve our systems and processes and establish trust in our sustainability reporting.</p> <p>During 2015 our Business Assurance function conducted an internal audit of our energy and carbon data. We also had our carbon emissions data externally verified by Ecometrica. The 2016 internal audit plan includes audits relevant to our sustainability disclosure including customer satisfaction processes and data, procurement, the annual development and feedback systems, people plans and anti-trust.</p>
Governance						
G4-34	Governance structure.	√	–	√	CRR. Page 46 GFR. Pages 12 and 13	We report on governance structures in varying levels of detail across our 2015 reporting suite. Governance insofar as it specifically relates to corporate responsibility and sustainability is included within the CRR report. Further detail of the wider corporate governance structures, committees and accountabilities is included in the 2015 GFR.
G4-35	Governance process: delegated responsibility.	–	–	√	Page 13	Refer to location of disclosure.
G4-36	Governance process: Executive responsibility.	–	–	√	Page 13	Refer to location of disclosure.
G4-37	Governance process: Consultation.	√	–	–	Page 47	Consultation between stakeholders, management and the highest governance body on economic, environmental and social (EES) topics is generally managed by the ARM Corporate Responsibility function. Mechanisms exist to escalating issues through to relevant members of the executive management team. These include direct communication and face-to-face interaction, and more formal channels such as Project Diamond and the Energy Use and Climate Change Committee (EUCCC) process.
G4-38	Highest governance body.	√	–	√	CRR. Page 47 GFR. Pages 6 to 16	Refer to location of disclosure.
G4-39	Highest governance body (chair).	√	–	√	CRR. Page 47 GFR. Page 13	Refer to location of disclosure.
G4-40	Nomination process.	–	–	√	Pages 23 and 24	Refer to location of disclosure.
G4-41	Conflicts of interest.	–	–	√	Page 47	Refer to location of disclosure.

GRI G4 Reference and Description		CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
G4-42	Role in values and strategy development.	–	–	√	Page 8	The Corporate Responsibility Committee set the purpose, values and strategy for ARM's approach to sustainability based on an understanding of the broader corporate vision, mission and strategy. This approach is then presented to the Executive Committee and ultimately the Board for approval. The Board are responsible for defining short-term and long-term strategic priorities for the Group.
G4-43	Competencies and performance evaluation.	–	–	√	Pages 6 and 7, and 10 and 11	Refer to location of disclosure.
G4-44	Board performance.	–	–	√	Pages 10	Refer to location of disclosure.
G4-45	Board role in risk management: process.	–	–	√	Pages 12 to 15 and 19	Refer to location of disclosure.
G4-46	Board role in risk management: review.	–	–	√	Pages 12 to 15 and 19	Refer to location of disclosure.
G4-47	Frequency of ESG review.	–	–	√	Page 15	ESG impacts, risks and opportunities are considered alongside other material issues on an annual basis by the Board.
G4-48	Review of CR Reporting.	–	–	–	N/A	Annual CR reporting is subject to scrutiny across a number of management tiers. The report approach and content is reviewed in detail by the Chief Operating Officer and General Counsel before receiving approval by the Group Executive.
G4-49	Reporting critical concerns.	–	–	√	Page 15	There are formal and informal channels available for communicating critical concerns to the Board. These include the confidential whistleblowing process (described in the Governance and Financial report), committee-based communication channels (for example, the Corporate Responsibility Committee and EUCCC), informal communication and face-to face contact. ARM operates an "open-door" policy whereby employees are encouraged to express their views and concerns to executive management in open forums and interactive media.
G4-50	Number of critical concerns.	–	–	√	Page 15	We have established processes and reporting channels to raise and record critical concerns. However, we do not disclose details of what is discussed at Board meetings. There was one whistleblowing report in 2015, which was not found to involve any financial or other loss to the Group. It was thoroughly investigated and it was deemed appropriate that no further action was taken.
G4-51	Remuneration disclosures: Executive reward.	–	–	√	Pages 25 to 43	Refer to location of disclosure.
G4-52	Remuneration disclosures: Determination.	–	–	√	Pages 37 and 39 to 43	Remuneration policy is included within the Governance and Financial Report. To achieve fairness and remain competitive in the market, remuneration consultants are used by the business. Together with appropriate industry benchmarking data, decisions are made on remuneration policies in order to fairly reward our people. This process is also used to determine reward packages that balance between base-pay, performance-related pay, bonus payments and allocation of deferred or vested shares.
G4-53	Remuneration disclosures: Stakeholder involvement.	–	–	√	Page 37	External remuneration consultants and industry benchmarking information is used as the basis for fair and equitable remuneration policies and proposals. Internal mechanisms exist for Senior Management and Executive sign-off on remuneration policies and individual reward.

Global Reporting Initiative (GRI) G4 content index continued

GRI G4 Reference and Description		CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Governance continued						
G4-54	Remuneration disclosures: Total reward ratios.	–	–	√	Page 37	<p>We publish single figure remuneration information for executive pay. In 2015 the highest paid individual in the organisation, based on single figure remuneration, was our Chief Financial Officer. Based on total salary only, our Chief Executive Officer received the highest amount. We also report on our total staff costs and our employee numbers. Based on this publicly disclosed information it is possible to calculate the ratio of the annual total compensation for the highest-paid individual in the Group to the median annual total compensation for all employees (excluding the highest-paid individual). In 2015, taking single figure remuneration as the basis for the calculation, the ratio was 1:23 (2014: 1:25). Refer to GFR pages 28 for single figure remuneration and page 73 for employee information as source data supporting this calculation. Note that we use total staff costs less social security costs as the basis for this calculation to represent “like-for-like” total reward.</p> <p>We do not publish details of the highest paid individuals within each country of significant operation. Nor do we disclose the median total annual compensation in those same countries. We are a global business and apply fair and equitable reward policies across the organisation. This includes offering the same benefits to all our people, wherever they are located.</p> <p>We note the level of disclosure recommended in the GRI G4 guidelines in respect of G4-54. We accept the importance of transparency in remuneration disclosures. ARM is fully compliant in its reporting on executive pay and related disclosures as required for quoted companies in accordance with the relevant legislation and Companies Act. We are constantly reviewing our approach to remuneration disclosure to ensure we are transparent, equitable and above all compliant. We also note the trends in international reporting and use the guidance provided by frameworks such as GRI in our considerations on our own approaches.</p>
G4-55	Remuneration disclosures: Annual increase ratios.	–	–	√	Page 29	<p>Refer to the explanations above regarding our approach to remuneration disclosure.</p> <p>For 2015, the average increase in base salaries for the executive directors was 5.57% for the three individuals who served in both 2014 and 2015, compared with the average increase for the workforce as a whole of 4.78%. For 2016, the average increase is 5.46% for the executive directors and 6.24% for the workforce as a whole.</p>
Ethics and integrity						
G4-56	Codes of conduct.	√	–	–	Page 47	Refer to location of disclosure.
G4-57	Internal and external mechanisms (hotlines, whistleblowing).	–	–	√	Page 15	<p>There are formal and informal channels available for communicating critical concerns to the Board. These include the confidential whistleblowing process (described in the Governance and Financial Report), committee-based communication channels (for example, the Corporate Responsibility Committee and EUCCC), and informal communication and face-to face contact. ARM operates an “open-door” policy whereby employees are encouraged to express their views and concerns to executive management in open forums and interactive media.</p> <p>Refer also to the location of disclosure.</p>

Stakeholder engagement Informing materiality

Stakeholder engagement, as a means of achieving effective collaboration, has been a fundamental part of ARM's business since the Company was formed.

At the heart of our business we have dedicated teams managing relationships with customers, Partners, investors and employees to ensure that their needs are regularly addressed. Other stakeholder groups, such as local community leaders, are engaged on an issue-by-issue basis.

Regular engagement between over 600 of our people and over 350 external stakeholders enables us to understand the needs, concerns and expectations of our stakeholders. This allows us to define our material issues and to develop and deliver strategies that respond to those needs.

>600

ARM people engaging with external stakeholders on a regular basis as part of their defined role and responsibilities

>350

Stakeholders actively engaging with ARM on at least an annual basis

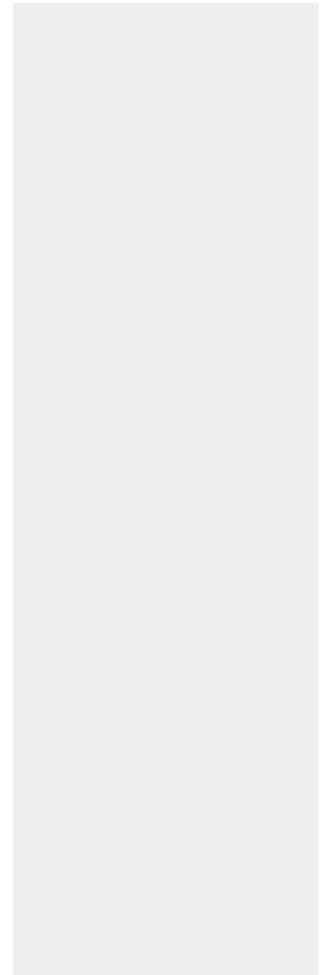
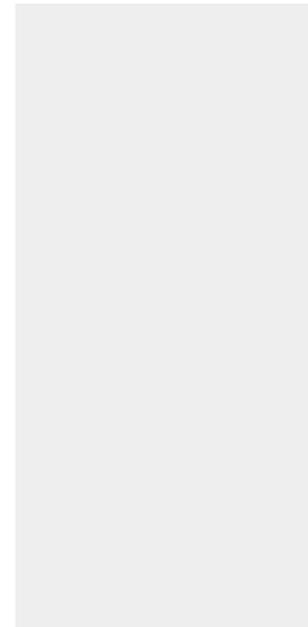
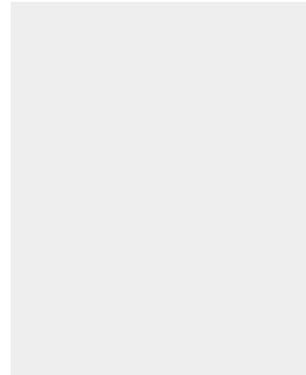
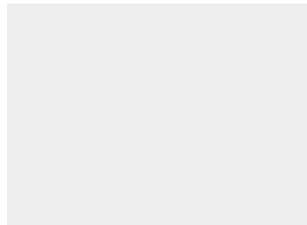
30

Stakeholder groups

7

Stakeholder categories

Stakeholders are defined as any group, internal or external, that can be expected to be affected by our activities, products and decisions.



Stakeholder engagement highlights 2015 continued

Who we engage	How we engage	What matters	What happened in 2015*
Local community	<ul style="list-style-type: none"> › Community interest groups. › Business community network groups. › Working with and supporting local community charities. 	<ul style="list-style-type: none"> › How ARM impacts on their environment and on their day-to-day lives. › Sustainable economic performance, the ability to provide livelihoods and to invest in the community by supporting local community causes, charities and community-based institutions. 	<ul style="list-style-type: none"> › We increased our engagement with local community groups including schools and health charities operating in close proximity to our global offices. › We engaged with and supported over 170 local community and charitable organisations around the world. › We were actively involved in community interest groups around our major offices including those representing the people and businesses in Cambridge where we have our headquarters. › All ARM people can spend at least one day paid time each year on volunteer work through our TeamARM programme. In 2015 more than 20% of our workforce took this opportunity, devoting 4,385 hours to skills-based volunteering, with more than 90% of our offices actively engaged in TeamARM activities around the world.
Investors	<ul style="list-style-type: none"> › Investor roadshows. › Annual and quarterly reporting. › One-to-one meetings with investors. › Investor relations website. 	<ul style="list-style-type: none"> › Our ability to innovate. › Strong financial performance. › Good governance, ethics and integrity as the basis for achieving sustainable growth and financial performance. › Clarity, consistency and setting realistic expectations. 	<ul style="list-style-type: none"> › We engaged directly with over 30 investment banks that issue regular research on ARM Holdings plc, and met with hundreds of fund managers from institutional investment firms. › We engaged with major Environmental, Social and Governance (ESG) research providers and proxy advisers to quantify and communicate our CR impacts. › We held our first ESG focussed investor webinar hosted by UBS Investment Bank. The session was broadcast live and then made available for download at www.ir.arm.com. Around 30 institutional investors and analysts attended the session, and many more private investors have viewed the webinar.
Commercial Partners	<ul style="list-style-type: none"> › Customer satisfaction surveys. › Annual Partners Meeting. › Trade and commercial seminars and conferences. 	<ul style="list-style-type: none"> › The ability of ARM to deliver on time and to specification. › Customer service and satisfaction. › Trust, integrity and ethics. › Ability to innovate, and have the right people, processes, systems and tools to deliver the best possible results. 	<ul style="list-style-type: none"> › We extended our customer satisfaction surveys, in terms of scope and reach. › Over 600 Partners brought together with a similar number of ARM people at the Annual Partners Meeting to share ARM's plans for the future, build relationships and have intensive meetings over a three-day period conferences and seminars attended. › 9,000 Engineers and industry experts attended ARM's annual technology conferences and symposia around the world.

Who we engage	How we engage	What matters	What happened in 2015*
Industry	<ul style="list-style-type: none"> › Industry representative groups. 	<ul style="list-style-type: none"> › Active participation in industry working groups. › Industry representation to policy makers. 	<ul style="list-style-type: none"> › Regular attendance and active involvement at industry forums including International Telecommunications Union (ITU), EngineeringUK, Tech UK, Electronic Systems Council (ESC) and National Microelectronics Institute (NMI). ARM is represented at Vice Rapporteur level at the ITU and on the Board at NMI. › Participation in the United Nations Global Compact, UK Network and Global Compact LEAD Programme. › Launch of the ARM Innovation Ecosystem accelerator to provide a facility for companies to collaborate together to create products for the Internet of Things.
Our people	<ul style="list-style-type: none"> › Employee engagement survey. › Line manager one-to-one conversations. › Annual Travel Survey. 	<ul style="list-style-type: none"> › Ethical behaviour in all interactions. › Economic performance. › Environmental responsibility. › Our ability to innovate, motivate and maintain a stimulating working environment. 	<ul style="list-style-type: none"> › 86% response rate in the 2015 employee engagement survey. › Our annual Global Engineering Conference brings together 15% of our engineers to discuss important development issues that affect our business, especially those that cross the organisational boundaries of function, location, and department. › 585 recent starters attended a Big Picture induction event and 155 colleagues participated in the Global Graduate Conference. › New Intranet. › Live broadcasts of quarterly results. › In conversation sessions with GM's and 'ask me anything' sessions with CEO. › Unconscious bias training. › Diversity and Inclusion lunch and learns. › Ongoing Women's Network meetings and internal conversations. › Career workshops launched to support people in planning their career.

Stakeholder engagement highlights 2015 continued

<i>Who we engage</i>	<i>How we engage</i>	<i>What matters</i>	<i>What happened in 2015*</i>
Government and regulators	<ul style="list-style-type: none"> > Participation in public policy debate. > Preparation and presentation of consultations and responses to White Papers. > Commissioned and co-authored research. > One-to-one meetings with government and civil service representatives. 	<ul style="list-style-type: none"> > Industry representation and engagement. > Growing the scope of potential markets. 	<ul style="list-style-type: none"> > Over 100 policy exchanges with government officials. > Active engagement with World Economic Forum, TechUK, NMI, United Nations organisations and the ITU. > Participation in the G20 Expert Group looking at the energy footprint of the ICT Infrastructure . The group reported to the G20 Summit in Turkey in November 2015.
Charitable and community Partners	<ul style="list-style-type: none"> > One-to-one meetings. > Status reporting and progress meetings. > Convening sector and topic meetings. > Connecting Partners. 	<ul style="list-style-type: none"> > Operating with integrity and honesty. > Economic performance and the ability to maintain and grow funding. > Local community partnerships and networks. > Engagement as a means to leverage a community ecosystem. 	<ul style="list-style-type: none"> > Over 200 one-to-one engagements with charitable Partners (includes multiple meetings with some Partners). > Annual status and performance reviews received and discussed with 10 larger charitable Partners. > Established relationships with global corporate responsibility Partners such as UNICEF and The Global Stem Alliance increased our reach and engagement with new partners in new territories.

Material aspects and boundaries

GRI G4 guidance highlights 46 material Aspects across three categories – economic, environmental and social. Aspects are those subjects covered by the guidelines that may be material to a business. Note that the economic dimension of sustainability concerns the organisation's impact on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of the organisation, although there is clearly a relationship between these factors.

Material issues are those that reflect the organisation's significant economic, environmental and social impacts, or that substantively influence the assessments and decisions of stakeholders.

ARM has used the GRI guidance as the basis for assessing its material issues and therefore determining report content. We have four material sustainability issues which we have simplified from the seven issues that we have previously reported. To align with the GRI G4 guidance we have presented these material issues in the context of the 46 material Aspects highlighted by G4. We concluded that 34 out of the 46 material Aspects have some relevance to ARM and can be mapped to our four material issues. Some of these are of material importance to our stakeholders, some to ARM as an organisation, and some of interest to both. We noted through this process that external stakeholders can often only make informed decisions on our business based on the information we disclose, and the context we provide. This has resulted in stakeholders expressing a high level of interest in issues, such as our water consumption or waste streams, which are not significant and really not very material. However, due to the interest shown in these, and other, aspects of our business, in the interests of transparency we have reported on our performance against these aspects.

The table includes comments summarising how and why each of these Aspects are considered material. We also explain why 12 of the GRI material Aspects are not considered material to ARM.

We have grouped our material issues into four growth drivers that support our short, medium and long term success.

Trust: Trust lies at the heart of our business model. Within our CR programme, in education and health, we provide support to young and vulnerable people. It is essential we operate with the highest levels of integrity and ethics and delivers on our promises in everything we do. We must deliver on our promises, and we must operate in a transparent manner. Maintaining a culture of high integrity will help build strong relationships with partners. A reputation for being a 'high trust organisation' will also help us to recruit and retain the best people who are proud to be working at ARM.

Innovation: Being innovative helps us solve complex problems. We must constantly innovate as part of our core business, help our partners meet their goals and apply creative solutions to innovate our internal processes and systems that support the business.

People: We develop IP. Our people are highly skilled and qualified, they are critical to our success. We must create an environment that respects, inspires and rewards our people. Our industry also needs more qualified STEM graduates available for us to employ, particularly women. We need to ensure that we are inclusive as an industry and as a company to support greater diversity and gender balance. Attracting and retaining the right people is our most important sustainability issue.

Relationships: We cannot deliver our business strategy or our CR programme alone. We rely on our ecosystem of commercial and charity partners to reach our goals. Sustainable relationships are crucial to achieving this.

Material aspects and boundaries

Continued

Material sustainability issue for ARM	Why this is material to ARM	Material GRI G4 Aspects	Material within the organisation	Relevant external to the organisation	Comment
Economic category					
Economic performance	<p>Strong and sustainable economic performance is critical to our long term ability to function and exist to meet the needs and expectations of stakeholders.</p> <p>Economic performance is materially important to ARM, but for the purposes of this analysis, we do not consider it to be a material issue as a business driver, but as an outcome.</p>	Economic Performance	√	√	Refer to the Governance and Financial Report for details of ARM's economic performance and taxes paid.
		Market Presence	√	√	This indicator helps demonstrate the contribution to the economic well-being of its employees in significant locations of operation. It is important to ARM that we act as a global business and, at the same time, recognise the contribution that each of our offices has on the local community and the economic contribution it makes to that community at the local, national and regional level.
		Indirect Economic Impacts	√	√	The indirect economic impact of our business varies according to the size of our operation at each of our locations relative to that economy. The most significant impacts therefore are caused by our largest offices. These impacts involve the contribution that our people have to local commerce and on infrastructure, and also to the goods and services that we purchase locally to support our operations.
		Procurement Practices	√	√	During 2015 we have introduced a range of improvements to our supplier management processes. These include a new supplier code of conduct (available at www.arm.com/about/suppliers) and improvements to the information we publish on our website about supplier relationships.
Environmental category					
Resource efficiency	<p>Resource efficiency had previously been identified as the material issue which best describes our approach to environmental responsibility. Our approach is to minimise our own environmental impacts wherever possible. We also seek to enable resource efficiency through our energy-efficient technology. In our review of material issues in 2015 we concluded that resource efficiency and economic performance remain important as part of conducting responsible business but do not represent material issues which form our CR growth drivers.</p>	Materials	–	–	Materials, as defined by GRI is not a material Aspect for ARM or its stakeholders, as the use of raw materials is not part of ARM's core business.
		Energy	–	√	Energy consumption is material to the business as it is a significant contributor to our carbon emissions. We set energy use reduction targets in 2010 to achieve a reduction of 15% per person by 2020. Our progress against these targets is reported in the CRR. Energy efficiency is also relevant to our business and stakeholders, as our success is founded on energy efficient technology.
		Water	–	√	Water withdrawal and consumption is limited across our global estate. We use water cooling for our Cambridge Campus data centre, but all other water use is restricted to sanitation and catering and employee use. Notwithstanding, water scarcity is an issue that interests our stakeholders around the world. As a responsible business, we need to be aware of our direct consumption and report on this accordingly. We also recognise that our technology may have applications which could contribute to global solutions for reductions in water demand.
		Biodiversity	–	√	ARM does not have a significant impact on biodiversity through its direct operating activities, and this is not a material issue for ARM. However, we recognise that this is an emerging area of interest for stakeholders and we have a responsibility to disclose our impacts on biodiversity and manage these as appropriate.

<i>Material sustainability issue for ARM</i>	<i>Why this is material to ARM</i>	<i>Material GRI G4 Aspects</i>	<i>Material within the organisation</i>	<i>Relevant external to the organisation</i>	<i>Comment</i>
Resource efficiency		Emissions	√	√	Carbon emissions and contribution to climate change is a major global issue. ARM has targets for carbon reductions for 2020 from a 2010 baseline. Our energy-efficient technology can also contribute to a global reduction in emissions. We consider this to be a material issue, and it is at the core of our approach to environmental responsibility within our Corporate Responsibility vision and strategy.
		Effluents and Waste	–	√	ARM does not have any waste or effluent streams beyond routine office waste, and we do not consider this a material issue for ARM. However, as an environmentally responsible business we recognise that stakeholders do have an interest in all of our environmental impacts and therefore we seek to monitor waste and effluent streams from our business and reduce our impacts as far as is practical.
		Products and Services	√	√	This Aspect represents a major opportunity for ARM, and is therefore material to us as a business. The impact of our energy-efficient technology during the phase when it is being used has a far greater significance than during the production phase.
		Compliance	√	√	The success of our business model relies on creating shared value and trust. It is vital that we are compliant with relevant laws and regulations across all aspects of our operations.
		Transport	√	√	This Aspect is material insofar as it relates to the transportation of our employees by air. Our Scope 3 business air-travel forms a significant part of our total emissions footprint, nearly equal to our total Scope 1 and 2 emissions.
		Overall	–	–	Total environmental protection expenditure and investment is not considered material, as our impacts are low and therefore mitigation costs are negligible. This assessment may be reviewed in future years if we make any significant investment in renewable energy or related projects to reduce our carbon emissions.
		Supplier Environmental Assessment	√	√	Demonstrating our understanding of the environment and social impact of our supply chain is becoming more important as we continue to grow as a global business. We have considered this to be a material issue as we focus on getting a better understanding of the impact of our supply chain. Our assessment on its material nature may change as we collect and analyse data from across our supply chain.
		Environmental Grievance Mechanisms	√	√	It is materially important to ARM, as a responsible business, that internal and external stakeholders are able to report grievances and be assured that response and remediation processes are robust. This is relevant to environmental concerns, as it is to any grievance related to our operations.

Material aspects and boundaries

Continued

<i>Material sustainability issue for ARM</i>	<i>Why this is material to ARM</i>	<i>Material GRI G4 Aspects</i>	<i>Material within the organisation</i>	<i>Relevant external to the organisation</i>	<i>Comment</i>
Social category					
People Innovation	<p>ARM's people are our strength for designing the next generation of technology, delivering it to our customers, and for growing and maintaining the ARM Partnership.</p> <p>All Aspects relating to our people are considered material for ARM. It is also in the interests of stakeholders that we continue to attract, develop and retain the best people. These factors also combine to ensure we are able to continue to innovate and develop and deliver products and services to our Partners.</p>	Employment	√	√	We provide detailed disclosure on our employment performance. This reflects the importance of this aspect to ARM and our stakeholders.
		Labour/Management Relations	√	√	We seek a high level of engagement between our people and management. This is embedded in our culture and personal development planning, feedback and appraisal processes.
		Occupational Health and Safety (OHS)	√	√	We apply a risk-based approach to managing OHS as part of our duty of care to our people and our immediate neighbours.
		Training and Education	√	√	The personal and professional development of our people is critical to ensuring they remain motivated and engaged by the business. It is also crucial to maintaining the high levels of skills and relevant, up-to-date knowledge of our people.
		Diversity and Equal Opportunity	√	√	Diversity and inclusion are important to ARM. As a responsible business, we seek to ensure that we are equitable and fair in our employment policies and practices in relation to these issues. Moreover, in the context of our approaches to corporate responsibility and the promotion of STEM education, we are proactive in engaging more female employees into engineering to address current imbalances that exist at the national and international levels.
		Equal Remuneration for Women and Men	√	√	As above, ARM is an equal opportunities employer and publicly discloses performance in this area as evidence of that commitment.
		Supplier Assessment for Labour Practices	√	√	<p>We recognise the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organisations and as such, we consider this a materially significant aspect for our business and the interests of our stakeholders.</p> <p>We continued to improve our policies and procedures in respect of supplier performance management and satisfaction during 2015. This including publishing our supplier code of conduct and extending our active engagement with suppliers.</p>
		Labour Practices Grievance Mechanisms	√	√	It is materially important to ARM, as a responsible business, that internal and external stakeholders are able to report grievances and be assured that response and remediation processes are robust. This is relevant to labour practices, as it is to any grievance related to our operations.

<i>Material sustainability issue for ARM</i>	<i>Why this is material to ARM</i>	<i>Material GRI G4 Aspects</i>	<i>Material within the organisation</i>	<i>Relevant external to the organisation</i>	<i>Comment</i>
Trust	Protecting our reputation is very important to us and critical to securing long-term relationships for long-term growth. The ARM Code of Business Conduct and Ethics is the foundation of how we interact with all of our stakeholders. This Code is supplemented by our human rights policies and adherence to legislative requirements relevant to the countries where we have offices.	Investment	–	–	This Aspect is not considered material to ARM because we do not have significant investment agreements or exposure to human rights risks in our day-to-day business relationships. However, we do consider human rights more broadly to be material and have a policy around human rights incorporated into our Code of Business Conduct and Ethics.
		Non-discrimination	√	√	ARM considers this material insofar as it relates to human rights and employee rights.
		Freedom of Association and Collective Bargaining	√	√	ARM considers this material insofar as it relates to human rights and employee rights.
		Child Labour	–	–	This is not considered material for ARM or its main stakeholder groups. ARM does not manufacture products and does not have any identified risks associated with child labour within its operations or those of its tier-one suppliers.
		Forced or Compulsory Labour	√	√	ARM considers this material insofar as it relates to human rights and employee rights.
		Security Practices	–	–	This is not considered material for ARM or its main stakeholder groups. ARM does not employ significant security trained personnel or undertake training of its own people in security. Where these services are engaged by ARM, they are managed within the prevailing laws, accreditation, and regulations of those countries in which we operate.
		Indigenous Rights	–	–	This is not considered material for ARM or its main stakeholder groups. ARM does not manufacture products and does not have any identified risks associated with indigenous rights within its operations or those of its tier-one suppliers.
		Assessment	√	√	We consider this material on the basis of the significance of human rights as a global issue, and our global business activity. Despite this recognition, we have undertaken work with Shift, a specialist non-profit organisation working on business and human rights, which concluded our risk in this area is low. This work was undertaken in 2013, and we consider its findings to still be applicable as there have been no significant changes to our business structure or operations since then.
		Supplier Human Rights Assessment	√	√	We recognise the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organisations and as such, we consider this a materially significant Aspect for our business and our stakeholders.
Human Rights Grievance Mechanisms	√	√	It is materially important to ARM, as a responsible business, that internal and external stakeholders are able to report grievances and be assured that response and remediation processes are robust. This is relevant to human rights as it is to any grievance related to our operations.		
Relationships	We operate within a global community. We rely on that community as the end customers for our designs, to provide current and future employees and investors, and on the goodwill of the communities in which we have offices.	Local Communities	√	√	This Aspect is material for ARM and many of its stakeholder groups.

Material aspects and boundaries

Continued

<i>Material sustainability issue for ARM</i>	<i>Why this is material to ARM</i>	<i>Material GRI G4 Aspects</i>	<i>Material within the organisation</i>	<i>Relevant external to the organisation</i>	<i>Comment</i>
Social category continued					
Relationships Innovation	<p>As above. It is critical to our ongoing success that we engender trust in all our interactions with our Partners.</p> <p>This is only achievable if we maintain the highest ethical and moral standards in our business activities, across issues such as anti-corruption, marketing communications and customer privacy.</p> <p>Robust, long-term relationships with our Partners are vital for us to innovate and collaborate to develop new products.</p>	Anti-corruption	√	√	Our commitment to anti-corruption is demonstrated by our ongoing support for implementing the 10 Principles of the United Nations Global Compact.
		Public Policy	√	√	How we engage in public policy discussion, who we engage with, and what our approach is, is important in building trusted relationships with stakeholders. Our contributions to this area, together with a demonstration of transparency, are important to ARM's Partners and other stakeholder groups.
		Anti-competitive Behaviour	√	√	As above. Anti-competitive behaviour and abiding by the laws and regulations in all countries we operate in is of material importance to ARM and all its stakeholder groups.
		Compliance	√	√	As above.
		Supplier Assessment for Impacts on Society	√	√	We recognise the importance of extending our boundaries of responsibility beyond our own direct operations to include our suppliers. This is an increasing trend for organisations and as such, we consider this a materially significant aspect for our business and the interests of our stakeholders.
		Grievance Mechanisms for Impacts on Society	√	√	It is materially important to ARM, as a responsible business, that internal and external stakeholders are able to report grievances and be assured that response and remediation processes are robust. This is relevant to our impacts on society as it is to any grievance related to our operations.
		Customer Health and Safety	–	–	This Aspect is not materially important to ARM or its stakeholder groups, as it is not wholly relevant to our core business activities and the technology we deliver to our Partners.
		Product and Service Labelling	–	–	This Aspect is not materially important to ARM or its stakeholder groups, as it is not wholly relevant to our core business activities and the technology we deliver to our Partners.
		Marketing Communications	√	√	We must be clear, fair and complete in the way we market our products. The continued success of the ARM ecosystem relies on mutual trust and respect. Marketing and communicating our products in an honest and transparent manner is a critical aspect of maintaining that trust and respect.
		Customer Privacy	√	√	This Aspect is fundamental to establishing and maintaining strong and trusting relationships with our Partners. We will also ensure that we are compliant with any prevailing laws, regulations and codes of conduct that relate to privacy for all countries in which we operate.
		Compliance	√	√	<p>The Group has an established internal control system designed to ensure compliance with all applicable laws, regulations and with internal policies across its operations.</p> <p>Our Code of Business Conduct and Ethics governs how we provide full, understandable and accurate content in our public disclosures, as well as complete compliance with all applicable laws and regulations. Our corporate policies prevent sponsorship of illegal activities including those that violate equal opportunity and discrimination laws and best practice.</p>

Specific Standard Disclosures

GRI G4 Guidelines organise Specific Standard Disclosures into three categories: – Economic, Environmental and Social. The Social category is further divided into four sub-categories, which are Labour Practices and Decent Work, Human Rights, Society and Product Responsibility.

The 2015 ARM Corporate Responsibility Report has been prepared in accordance with GRI G4 at the Comprehensive level. This requires that we only provide a Standard Specific Disclosure for each material Aspect. We have determined that 34 out of the 46 material Aspects presented by the GRI G4 guidance are relevant to ARM and its stakeholders. This is explained more fully in the previous section.

In most cases we disclose information within our standard annual reporting suite. Report location and page references are included in the table below. Where the disclosure is provided in this supplementary report, we use the abbreviation CRS in the page reference column and the disclosure in the adjacent comment section.

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Category: Economic performance						
Aspect: Economic performance						
G4-EC1	Direct economic value generated and distributed.	–	√	–	SR, Pages 25 and 25 GFR, Pages 56 to 100	Refer to location of disclosure.
G4-EC2	Financial implications and other risks and opportunities for the organisations activities due to climate change.	√	–	–	Page 48 CRS	No material risks or opportunities have been identified by ARM that specifically relate to climate change. However, the cornerstone of the business of ARM is the design of energy-efficient technology. ARM technology makes a significant contribution to global reductions in carbon emissions for the ICT sector due to the low-power consumption of its semiconductor designs. A report by the Carbon Trust into the impact of ARM technology in commercial servers was included in the 2014 Corporate Responsibility Report available at www.arm.com/reporting2014/cr
G4-EC3	Coverage of the organisations defined benefit plan obligations.	–	–	√	Page 66	Refer to location of disclosure.
G4-EC4	Financial assistance received from government.	–	–	√	Page 64	Refer to location of disclosure.
Aspect: Market presence						
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	–	–	–	CRS	We hire people based on their qualifications and experience regardless of gender, religion, race, nationality or political affiliation. This policy also applies to employee compensation.
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	–	–	–	CRS	We hire people based on their qualifications and experience regardless of gender, religion, race, nationality or political affiliation. This policy also applies to employee compensation.

Specific Standard Disclosures

Continued

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Aspect: Indirect economic impacts						
G4-EC7	Development and impact of infrastructure investments and services supported.	√	–	–	Pages 45 and 45	We support our local communities through our Corporate Responsibility programme. On occasion, this will involve infrastructure investment and the support for services where it is appropriate.
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	–	√	–	Pages 24 and 25	Understanding our significant indirect economic impacts is an integral part of our CR strategy, governance and performance review approach. We measure our own success, partly by the number of ARM-based chips shipped by our Partners in a given year. These are the chips that end up in a wide range of end applications and commercially available devices. We consider this number as a relevant and reasonable metric for demonstrating and communicating the economic impact of our business.
Aspect: Procurement practices						
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	–	√	–	Pages 24	<p>We do not record and report in detail on this indicator. We do operate a "buy local" approach across our procurement function as part of our selection criteria, alongside other considerations such as commercial terms, service quality and performance.</p> <p>In 2015 we completed an in-depth analysis of our spending, source of spend (i.e. where the ARM budget holder is location) and supplier locations. This analysis shows that we tend to have the highest spend on suppliers in the three regions of the world where we have the most people and offices. This is an indication, at the high level, of our commitment to local suppliers. Our efforts to improve our relationships with suppliers is ongoing.</p>
Category: Environmental						
Aspect: Materials						
G4-EN1	Materials used by weight or volume.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
G4-EN2	Percentage of materials used that are recycled input materials.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
Aspect: Energy						
G4-EN3	Energy consumption within the organisation.	√	–	–	Page 49	Refer to location of disclosure.
G4-EN4	Energy consumption outside of the organisation.	–	–	–	CRS	<p>Independent research has shown that our energy-efficient technology can be used to reduce energy consumption significantly, compared with the use of alternative or conventional technologies. An example of this was included in the 2014 CR report showcasing the work of the Carbon Trust and ARM-based energy-efficient servers. This is available at www.arm.com/reporting2014/cr</p> <p>Due to the scale and range of devices powered by ARM technology, we are not able to quantify the energy use of our products and related services outside of the organisation.</p>
G4-EN5	Energy intensity.	√	–	–	Page 49	We calculate intensity based on a mid-year total headcount which includes all full-time and fixed term employees and contractors. Refer to the location of disclosure for further information.

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
G4-EN6	Reduction of energy consumption.	√	–	–	Pages 48 and 49	Our global energy consumption increased in absolute terms and intensity by headcount in 2015. This was a consequence of our growth in global estate and a net increase in our combined data centre consumption at Austin and Cambridge. Refer to the location of disclosure for further information.
G4-EN7	Reductions in energy requirements of products and services.	–	–	–	N/A	Independent research has shown that our energy-efficient technology can be used to reduce energy consumption significantly compared with the use of alternative or conventional technologies. This has been reported in previous CR reports (specifically 2013 and 2014) available at www.arm.com/reporting2014/cr
Aspect: Water						
G4-EN8	Total water withdrawal by source.	–	–	–	CRS	Consumption at all our global offices is for personal use, cleaning and sanitation. We also use water for cooling at our Cambridge data centre. ARM does not currently consider water to be of material importance due to low consumption and demand across our estate. However, in the context of GRI G4, we have included water within our material issues this year because it is an issue of growing importance to stakeholders and we recognise that we have a responsibility to comment upon and disclose our own impacts.
G4-EN9	Water sources significantly affected by withdrawal of water.	–	–	–	CRS	As above. Our organisational consumption of water is not considered material. Therefore, we do not consider that we significantly affect any water sources by withdrawal, for the purposes of our operations.
G4-EN10	Percentage and total volume of water recycled and reused.	–	–	–	CRS	As above. Our organisational consumption of water is not considered material. We do not maintain an accurate record of recycled and reused water across our global estate. We record water consumed and re-used for the purposes of cooling at our CEEDA Gold Standard accredited data centre located on our Cambridge Campus (UK). This is monitored for operational reasons but data is not available for public reporting.
Aspect: Biodiversity						
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	–	–	–	CRS	ARM does not currently consider biodiversity to be of material importance due to the low impact of our offices and related operations (for example, travel to work, direct emissions, waste streams) on the surrounding physical environment. However, in the context of GRI G4, we have considered biodiversity within our material issues this year because it is an issue of emerging importance to stakeholders and we recognise that we have a responsibility to comment upon and disclose our own impacts across all aspects of the environment. As of 31 December 2015, ARM has 35 offices in 17 countries. Biodiversity is considered low risk due to the nature of the business operations of ARM. ARM has not recorded any instances of its operations being located in an area of high biodiversity value outside protected areas.
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	–	–	–	CRS	As above. The impact of our activities, products and services on biodiversity in protected areas and areas of high biodiversity value is not considered material. ARM has not recorded any impact of its operations on biodiversity of protected areas of high biodiversity value.

Specific Standard Disclosures

Continued

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Aspect: Biodiversity continued						
G4-ENI3	Habitats protected or restored.	–	–	–	CRS	As above. The impact of our activities, products and services on protected habitats, or those with special significance is not considered material. ARM has not recorded any impact of its operations on protected habitats or areas. As a consequence, we do not maintain data or disclose information on this indicator.
G4-ENI4	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	–	–	–	CRS	As above. ARM is not aware of any impact that its operations has on IUCN Red List species and national conservation list species.
Aspect: Emissions						
G4-ENI5	Direct greenhouse gas (GHG) emissions (Scope 1).	√	–	–	CRR. Page 49	ARM reports on its direct and indirect (Scope 1 and Scope 2) carbon emissions as part of its obligations under the UK Mandatory Carbon Reporting Regulations. Refer to location of disclosure.
G4-ENI6	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	√	–	–	CRR. Page 49	ARM reports on its direct and indirect (Scope 1 and Scope 2) carbon emissions as part of its obligations under the UK Mandatory Carbon Reporting Regulations. Refer to location of disclosure.
G4-ENI7	Other indirect greenhouse gas (GHG) emissions (Scope 3).	√	–	–	CRR. Page 49	ARM voluntarily reports on its Scope 3 emissions insofar as they relate to business (air) travel. This is because air travel represents a significant portion of our overall environmental and emissions footprint. Refer to location of disclosure.
G4-ENI8	Greenhouse gas (GHG) emissions intensity.	√	–	–	CRR. Page 49	We calculate intensity based on total 'mid-year' headcount which includes all full-time and fixed term employees and contractors. In 2014 we also began representing our carbon emissions in terms of revenue. This is considered relevant because it represents consumption based on our contribution to economic output. Therefore, it is a measure that is comparable across all industry sectors and in the context of the wider economy and sustainable development. Refer to the location of disclosure for further information.
G4-ENI9	Reduction of greenhouse gas (GHG) emissions.	√	–	–	Pages 48 and 49	See also our recent Carbon Disclosure Project reporting submissions at www.cdp.net .
G4-EN20	Emissions of ozone-depleting substances (ODS).	–	–	–	CRS	ARM does not emit any significant ozone-depleting substances through its direct operations.
G4-EN21	NO _x , SO _x , and other significant air emissions.	–	–	–	CRS	ARM does not emit any significant NO _x and SO _x from its operations.

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Aspect: Effluents and waste						
G4-EN22	Total water discharge by quality and destination.	–	–	–	CRS	<p>ARM does not currently consider effluents and waste to be of material importance. Due to the low impact of our offices on the surrounding physical environment.</p> <p>However, in the context of GRI G4 we have considered effluents and waste within our material issues this year because it is an issue of importance to stakeholders, particularly in our local communities. We recognise that we have a responsibility to comment upon and disclose our own impacts across all aspects of the environment.</p> <p>Across our global estate, ARM does not have any uncontrolled or unplanned water discharge from its operations. All waste streams relating to employee consumption, catering and cleaning (and other domestic uses) are managed through recognised local or regional agencies.</p>
G4-EN23	Total weight of waste by type and disposal method.	–	–	–	CRS	<p>Across our global estate, ARM does not have any uncontrolled or unplanned water discharge from its operations. All waste streams relating to employee consumption, catering and cleaning (and other domestic uses) are managed through recognised local or regional agencies.</p>
G4-EN24	Total number and volume of significant spills.	–	–	–	CRS	<p>During 2015, ARM recorded no significant spills or unplanned or uncontrolled discharges across its global estate.</p>
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	–	–	–	CRS	<p>Under the terms of the Basel Convention Annex I, II, III, and VIII, ARM does manage waste deemed hazardous in respect of e-waste (for example, old computers and computer paraphernalia).</p>
G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organisations discharges of water and runoff.	–	–	–	CRS	<p>Across our global estate, ARM does not have any uncontrolled or unplanned water discharge from its operations. All waste streams relating to employee consumption, catering and cleaning (and other domestic uses) are managed through recognised local or regional agencies.</p>

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Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Aspect: Products and services						
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	–	–	–	CRS	<p>ARM does not manufacture a physical product and therefore the environmental impact of our products and services is minimal.</p> <p>We recognise that there is an impact associated with the activities of our Partners who turn our designs into chips and then ship those into a multitude of commercially available devices. However, this is countered by the positive impact that our technology has on environmental issues. Research has shown that ARM technology makes a significant contribution to global reductions in carbon emissions for the ICT sector due to the low-power consumption of its semiconductor designs. There are also many examples of where our technology has been used to address environmental issues spanning agriculture, forest fire prevention, and waste and emission management.</p>
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	–	–	–	CRS	<p>ARM outsources the manufacturing process and sells a small number of physical products including development boards and debuggers. The volumes of these items are not material to the business by quantity or turnover, representing less than 1% of revenues in 2015. No detailed data related to this indicator is available for reporting for 2015.</p>
Aspect: Compliance						
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	–	–	–	CRS	<p>No fines or non-monetary sanctions were issued to ARM for non-compliance with environmental laws and regulations in any of its global locations during 2015.</p>
Aspect: Transport						
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce.	√	–	–	Page 49	<p>ARM does manufacture and sell a small number of physical products including development boards and debuggers. The volumes of these items are not material to the business by quantity or turnover, representing less than 1% of revenues in 2014. These activities do not have any significant environmental impact.</p> <p>Transportation of employees for the purposes of business by air travel represents our most significant environmental impact. Our Scope 3 emissions attributable to air travel represent almost half our total carbon emissions footprint. Refer to location of disclosure for more information.</p>
Aspect: Overall						
G4-EN31	Total environmental protection expenditures and investments by type.	–	–	–	CRS	<p>Aspect not material to ARM. See comment in section above.</p>
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	–	–	–	CRS	<p>100% of new suppliers being created as repeat vendors in our financial systems (that is, excluding one-off payments) are required to agree to the environmental responsibility requirements within the responsible business section of the standard ARM Terms of Business.</p> <p>During 2015 we have introduced a range of improvements to our supplier management processes. These include a new supplier code of conduct (available at www.arm.com/about/suppliers) and improvements to the information we publish on our website about supplier relationships.</p>

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Aspect: Supplier environmental assessment																																																																																																																						
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	√	–	–	Page 18	We have not caused any significant direct actual or potential negative impacts through our supplier chain during 2015.																																																																																																																
Aspect: Environmental grievance mechanisms																																																																																																																						
G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.	–	–	–	CRS	There were no recorded grievances against ARM relating to its environmental impacts during 2015.																																																																																																																
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G4-LA1	Total number of employees.	–	–	–	CRS	<table border="1"> <thead> <tr> <th></th> <th colspan="3">2015</th> <th colspan="3">2014</th> </tr> <tr> <th>Employee category</th> <th>Male</th> <th>Female</th> <th>Total</th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Total Established, fixed-term and External</td> <td>3755</td> <td>776</td> <td>4531</td> <td>3154</td> <td>640</td> <td>3794</td> </tr> <tr> <td>Established Employees</td> <td>3319</td> <td>656</td> <td>3975</td> <td>2758</td> <td>536</td> <td>3294</td> </tr> <tr> <td>Fixed-term Employees</td> <td>74</td> <td>42</td> <td>116</td> <td>71</td> <td>37</td> <td>108</td> </tr> <tr> <td>External</td> <td>362</td> <td>78</td> <td>440</td> <td>325</td> <td>67</td> <td>392</td> </tr> <tr> <th>Employee category</th> <th>Full-time</th> <th>Part-time</th> <th>Total</th> <th>Full-time</th> <th>Part-time</th> <th>Total</th> </tr> <tr> <td>Total Established, fixed-term and External</td> <td>4437</td> <td>94</td> <td>4531</td> <td>3704</td> <td>90</td> <td>3794</td> </tr> <tr> <td>Established Employees</td> <td>3897</td> <td>78</td> <td>3975</td> <td>3223</td> <td>71</td> <td>3294</td> </tr> <tr> <td>Fixed-term Employees</td> <td>107</td> <td>9</td> <td>116</td> <td>102</td> <td>6</td> <td>108</td> </tr> <tr> <td>External</td> <td>433</td> <td>7</td> <td>440</td> <td>379</td> <td>13</td> <td>392</td> </tr> <tr> <th>Total established, fixed-term and external</th> <th>Male</th> <th>Female</th> <th>Total</th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> <tr> <td>Asia Pacific</td> <td>279</td> <td>68</td> <td>347</td> <td>216</td> <td>51</td> <td>267</td> </tr> <tr> <td>EMEA</td> <td>2117</td> <td>379</td> <td>2496</td> <td>1767</td> <td>309</td> <td>2076</td> </tr> <tr> <td>India</td> <td>582</td> <td>184</td> <td>727</td> <td>557</td> <td>120</td> <td>677</td> </tr> <tr> <td>US</td> <td>777</td> <td>184</td> <td>961</td> <td>614</td> <td>160</td> <td>774</td> </tr> </tbody> </table>		2015			2014			Employee category	Male	Female	Total	Male	Female	Total	Total Established, fixed-term and External	3755	776	4531	3154	640	3794	Established Employees	3319	656	3975	2758	536	3294	Fixed-term Employees	74	42	116	71	37	108	External	362	78	440	325	67	392	Employee category	Full-time	Part-time	Total	Full-time	Part-time	Total	Total Established, fixed-term and External	4437	94	4531	3704	90	3794	Established Employees	3897	78	3975	3223	71	3294	Fixed-term Employees	107	9	116	102	6	108	External	433	7	440	379	13	392	Total established, fixed-term and external	Male	Female	Total	Male	Female	Total	Asia Pacific	279	68	347	216	51	267	EMEA	2117	379	2496	1767	309	2076	India	582	184	727	557	120	677	US	777	184	961	614	160	774
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G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	–	–	–	CRS	<p>We offer benefits packages across all of our global offices. Temporary employees are excluded from benefits where the benefit is not practical or where administration costs are prohibitively expensive when considering the benefit to the employee for the time of employment, for example:</p> <ul style="list-style-type: none"> > Pension/401k schemes. > Insurances, such as medical, travel, life and permanent health insurances. > Bonus. <p>Temporary employees are compensated for exclusion from these benefit schemes by receiving increased levels of basic pay.</p>
G4-LA3	Return to work and retention rates after parental leave, by gender.	–	–	–	CRS	<p>Retention rates after parental leave:</p> <p>Male: 100% (2014: 100%).</p> <p>Female: 95% (2014: 93%).</p>
Aspect: Labour/management relations						
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	–	–	–	CRS	Employee participation in collective bargaining agreements is country specific, and subject to country specific regulation. There is no detailed information available for reporting in relation to this indicator.
Aspect: Occupational health and safety						
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programme.	–	–	–	CRS	ARM does not differentiate between workers and management in terms of its committee membership, monitoring or advisory processes. Therefore, the percentage of total workforce represented by health and safety committees can be considered as 100%.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	–	–	–	CRS	Human Resources maintain this information locally. Incidences of work-related injuries, occupational diseases and other lost days are very rare, but no detailed information is available for external reporting.
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	–	–	–	CRS	This indicator is not relevant to the nature of our work, our industry, or the risk profile of our employees. Therefore no detailed information is available for reporting against this indicator.
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	–	–	–	CRS	Trade Union membership is not restricted by ARM but is considered as sensitive personal data under UK law and subject to different country specific disclosure requirements. Therefore no detailed information is available for reporting against this indicator.

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Aspect: Training and education																																																																																																																																													
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	—	—	—	CRS	<p>2015 Training data is currently being compiled and will not be available until 14 March 2016.</p> <p>Average hours of training per employee by gender and employee category:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2015</th> <th colspan="2">2014</th> </tr> <tr> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td colspan="5">EMEA</td> </tr> <tr> <td>Executive Committee</td> <td>39</td> <td>17</td> <td>15</td> <td>8.00</td> </tr> <tr> <td>Individual Contributor</td> <td>27.72</td> <td>28.06</td> <td>31.61</td> <td>29.31</td> </tr> <tr> <td>Manager</td> <td>26.74</td> <td>25.64</td> <td>26.62</td> <td>29.55</td> </tr> <tr> <td>Senior Management</td> <td>30.47</td> <td>35.36</td> <td>23.63</td> <td>42.57</td> </tr> <tr> <td></td> <td>27.67</td> <td>27.85</td> <td>30.03</td> <td>29.74</td> </tr> <tr> <td colspan="5">Asia</td> </tr> <tr> <td>Executive Committee</td> <td>8.50</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>Individual Contributor</td> <td>21.77</td> <td>23.96</td> <td>33.53</td> <td>30.03</td> </tr> <tr> <td>Manager</td> <td>23.96</td> <td>27.36</td> <td>30.14</td> <td>39.86</td> </tr> <tr> <td>Senior Management</td> <td>15.40</td> <td>n/a</td> <td>24.67</td> <td>n/a</td> </tr> <tr> <td></td> <td>22.05</td> <td>24.71</td> <td>32.45</td> <td>31.89</td> </tr> <tr> <td colspan="5">India</td> </tr> <tr> <td>Executive Committee</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>Individual Contributor</td> <td>27.35</td> <td>25.30</td> <td>39.43</td> <td>33.78</td> </tr> <tr> <td>Manager</td> <td>25.80</td> <td>25.88</td> <td>35.93</td> <td>29.42</td> </tr> <tr> <td>Senior Management</td> <td>33.25</td> <td>n/a</td> <td>23</td> <td>n/a</td> </tr> <tr> <td></td> <td>26.94</td> <td>25.39</td> <td>38.38</td> <td>33.09</td> </tr> <tr> <td colspan="5">US</td> </tr> <tr> <td>Executive Committee</td> <td>33.00</td> <td>n/a</td> <td>6.33</td> <td>n/a</td> </tr> <tr> <td>Individual Contributor</td> <td>15.38</td> <td>13.05</td> <td>19.71</td> <td>21.16</td> </tr> <tr> <td>Manager</td> <td>15.82</td> <td>19.20</td> <td>24.63</td> <td>25.61</td> </tr> <tr> <td>Senior Management</td> <td>22.14</td> <td>24.43</td> <td>18.93</td> <td>11.6</td> </tr> <tr> <td></td> <td></td> <td></td> <td>20.8</td> <td>21.57</td> </tr> <tr> <td></td> <td>Grand total</td> <td>15.96</td> <td>23.11</td> <td>29.46</td> <td>28.04</td> </tr> </tbody> </table>		2015		2014		Male	Female	Male	Female	EMEA					Executive Committee	39	17	15	8.00	Individual Contributor	27.72	28.06	31.61	29.31	Manager	26.74	25.64	26.62	29.55	Senior Management	30.47	35.36	23.63	42.57		27.67	27.85	30.03	29.74	Asia					Executive Committee	8.50	n/a	n/a	n/a	Individual Contributor	21.77	23.96	33.53	30.03	Manager	23.96	27.36	30.14	39.86	Senior Management	15.40	n/a	24.67	n/a		22.05	24.71	32.45	31.89	India					Executive Committee	n/a	n/a	n/a	n/a	Individual Contributor	27.35	25.30	39.43	33.78	Manager	25.80	25.88	35.93	29.42	Senior Management	33.25	n/a	23	n/a		26.94	25.39	38.38	33.09	US					Executive Committee	33.00	n/a	6.33	n/a	Individual Contributor	15.38	13.05	19.71	21.16	Manager	15.82	19.20	24.63	25.61	Senior Management	22.14	24.43	18.93	11.6				20.8	21.57		Grand total	15.96	23.11	29.46	28.04
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Aspect: Training and education continued						
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	√	–	–	CRS	Refer to location of disclosure.
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	–	–	–	CRS	<p>2015 saw a change in how we measure ARM Feedback and Development System (AFDS) activity. Some people exempt from completing an appraisal, eg those on maternity leave, long-term sick, very recent starters. We also exempted a number of new employees from a recent acquisition. We collate the figures for AFDS logbook activity and confirm that 81% of eligible employees had activity over 2015. We would expect this to be higher for 2016 data once people are more confident and familiar with the new process.</p> <p>Excluding those who are exempt, the % of established employees who should be submitting AFDS forms is:</p> <p>93% of female established employees</p> <p>98% of male established employees</p> <p>In 2014 we reported that 99.6% of ARM Feedback and Development System (AFDS) forms from eligible established employees were submitted in 2014 with ten exceptions noted, which were delayed into 2015 and were completed by the end of February 2015.</p>
Aspect: Diversity and equal opportunity						
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	–	–	√	GFR. Pages 24 and 36 CRS	<p>Ethnic origin is defined differently by location and therefore available data is not directly comparable. Reporting is only possible based on established employees as follows:</p> <p>Gender split: Total Established employees: 3975 (2014: 3284)</p> <p>Female: 656 (16.5%); (2013: 536 (16%))</p> <p>Male: 3319 (83.5%); (2013: 2758 (84%))</p>

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G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity (continued).	—	—	—	CRS	<table border="1"> <thead> <tr> <th rowspan="2">Management Level</th> <th rowspan="2">Gender</th> <th colspan="2">2015</th> <th colspan="2">2014</th> </tr> <tr> <th>Total</th> <th>%</th> <th>Total</th> <th>%</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Executive Committee</td> <td>Female</td> <td>1</td> <td>8</td> <td>2</td> <td>14</td> </tr> <tr> <td>Male</td> <td>12</td> <td>92</td> <td>12</td> <td>86</td> </tr> <tr> <td>Total</td> <td></td> <td>13</td> <td>100</td> <td>14</td> <td>100</td> </tr> <tr> <td rowspan="2">Individual Contributor</td> <td>Female</td> <td>527</td> <td>18</td> <td>428</td> <td>18</td> </tr> <tr> <td>Male</td> <td>2363</td> <td>82</td> <td>1954</td> <td>82</td> </tr> <tr> <td>Total</td> <td></td> <td>2890</td> <td>100</td> <td>2382</td> <td>100</td> </tr> <tr> <td rowspan="2">Management</td> <td>Female</td> <td>109</td> <td>12</td> <td>92</td> <td>12</td> </tr> <tr> <td>Male</td> <td>813</td> <td>88</td> <td>681</td> <td>88</td> </tr> <tr> <td>Total</td> <td></td> <td>922</td> <td>100</td> <td>773</td> <td>100</td> </tr> <tr> <td rowspan="2">Senior Management</td> <td>Female</td> <td>19</td> <td>13</td> <td>14</td> <td>11</td> </tr> <tr> <td>Male</td> <td>131</td> <td>87</td> <td>110</td> <td>89</td> </tr> <tr> <td>Total</td> <td></td> <td>150</td> <td>100</td> <td>108</td> <td>100</td> </tr> </tbody> </table> <p>Age and employee category split: Total Established employees: 3975 (2014: 3284)</p>	Management Level	Gender	2015		2014		Total	%	Total	%	Executive Committee	Female	1	8	2	14	Male	12	92	12	86	Total		13	100	14	100	Individual Contributor	Female	527	18	428	18	Male	2363	82	1954	82	Total		2890	100	2382	100	Management	Female	109	12	92	12	Male	813	88	681	88	Total		922	100	773	100	Senior Management	Female	19	13	14	11	Male	131	87	110	89	Total		150	100	108	100
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Aspect: Equal remuneration for women and men																																																									
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	–	–	–	CRS	<p>The following data is maintained for the significant locations of operation to reflect total remuneration: EMEA, UK and India. In total these locations represent >90% of employees. The average ratio for these territories is 95% for 2015. We do not disclose any sensitive information where groups represent three people or less. Executive Committee female pay is commensurate with male.</p> <table border="1"> <thead> <tr> <th>Management Level</th> <th colspan="2">Ratio of Female to Male Salary</th> </tr> <tr> <th></th> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td colspan="3">EMEA:</td> </tr> <tr> <td>Senior Management</td> <td>96%</td> <td>95%</td> </tr> <tr> <td>Management</td> <td>94%</td> <td>93%</td> </tr> <tr> <td>Individual Contributor</td> <td>93%</td> <td>87%</td> </tr> <tr> <td>Overall Average</td> <td>99%</td> <td>95%</td> </tr> <tr> <td colspan="3">US:</td> </tr> <tr> <td>Senior Management</td> <td>96%</td> <td>92%</td> </tr> <tr> <td>Management</td> <td>87%</td> <td>95%</td> </tr> <tr> <td>Individual Contributor</td> <td>96%</td> <td>95%</td> </tr> <tr> <td>Overall Average</td> <td>93%</td> <td>94%</td> </tr> <tr> <td colspan="3">India:</td> </tr> <tr> <td>Senior Management</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>Management</td> <td>92%</td> <td>90%</td> </tr> <tr> <td>Individual Contributor</td> <td>94%</td> <td>95%</td> </tr> <tr> <td>Overall Average</td> <td>93%</td> <td>92%</td> </tr> </tbody> </table>	Management Level	Ratio of Female to Male Salary			2015	2014	EMEA:			Senior Management	96%	95%	Management	94%	93%	Individual Contributor	93%	87%	Overall Average	99%	95%	US:			Senior Management	96%	92%	Management	87%	95%	Individual Contributor	96%	95%	Overall Average	93%	94%	India:			Senior Management	n/a	n/a	Management	92%	90%	Individual Contributor	94%	95%	Overall Average	93%	92%
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Aspect: Supplier assessment for labour practices																																																									
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria.	–	–	–	CRS	<p>During 2014, we added requirements relating to responsible labour practices into our standard supplier Terms of Business. These referred to the suppliers requirement to respect and promote the rights set out in the International Labour Organisation's International (ILO) Labour Standards and the provisions of the United Nations' Universal Declaration of Human Rights in respect of both its personnel and its suppliers.</p> <p>100% of new suppliers being created as repeat vendors in our financial systems (i.e. excluding one-off payments) are required to agree to the responsible labour practices requirement within the Responsible Business section of the standard ARM Terms of Business.</p> <p>During 2015, we published our suppliers code of conduct which is available at www.arm.com/about/suppliers</p>																																																			

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Aspect: Supplier assessment for labour practices continued						
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.	–	–	–	CRS	ARM does not have any significant (negative) actual or potential impacts on labour practice occurring within its supply chain.
Aspect: Labour practice grievance mechanisms						
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms.	–	–	–	CRS	There were no recorded grievances against ARM relating to its labour practices during 2015.
Sub-category: Human rights						
Aspect: Investment						
G4-HRI1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
Aspect: Non-discrimination						
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	–	–	–	CRS	<p>We can only estimate the total time spent in training relating to human rights. Human rights forms part of the ARM Code of Business Conduct and Ethics policy. All new employees are required to read and answer questions on the Code of Business Conduct and Ethics. All existing employees must complete an annual re-confirmation of acceptance and understanding of this policy. This is all conducted through on-line training, a short test that they must pass, and sign-off by the individual to confirm their understanding of the policies and how it applies to them. Based on this approach:</p> <ul style="list-style-type: none"> > 100% of employees receive annual human rights on-line training as part of their annual review and sign-off on ARM's business conduct policies.
Aspect: Freedom of association and collective bargaining						
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	–	–	–	CRS	There were no incidents of discrimination raised and recorded by ARM during 2015.
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	–	–	–	CRS	There were no operations or suppliers identified by ARM which were at risk of restricting the right to exercise freedom of association and collective bargaining during 2015.

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Aspect: Child labour						
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour; and measures taken to contribute to the effective abolition of child labour.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
Aspect: Forced or compulsory labour						
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour; and measures to contribute to the elimination of all forms of forced or compulsory labour.	–	–	–	CRS	None of our operations are considered at specific risk for forced or compulsory labour. We manage this risk by only dealing with reputable suppliers and ensuring all suppliers agree to follow the ARM Terms of Business when they register as a supplier. The Terms of Business include a requirement for suppliers to respect and promote the rights set out in the International Labour Organisations (ILO) International Labour Standards and provision of the United Nations Universal Declaration of Human Rights.
Aspect: Security practices						
G4-HR7	Percentage of security personnel trained in the organisations human rights policies or procedures that are relevant to operations.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
Aspect: Indigenous rights						
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
Aspect: Assessment						
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	–	–	–	CRS	ARM has previously worked with Shift, a specialist non-profit organisation to understand more about this area and the key guidelines provided by the UN Guiding Principles on Business and Human Rights. We have adopted a general Human Rights Policy. This is in addition to related existing policies including those on conflict minerals, business ethics and discrimination.

Specific Standard Disclosures

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Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Aspect: Assessment continued						
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	–	–	–	CRS	<p>Our requirements from suppliers in respect of human rights is included within our standard supplier Terms of Business. These referred to the suppliers' requirement to respect and promote the rights set out in the International Labour Organisations (ILO) International Labour Standards and provision of the UN's Universal Declaration of Human Rights.</p> <p>100% of new suppliers being created as repeat vendors in our financial systems (that is excluding one-off payments) are required to agree to the human rights requirements within the Responsible Business section of the standard ARM Terms of Business.</p> <p>During 2015 we have introduced a range of improvements to our supplier management processes. These include a new supplier code of conduct (available at http://www.arm.com/about/suppliers) and improvements to the information we publish on our website about supplier relationships</p>
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	–	–	–	CRS	None identified.
Aspect: Human rights grievance mechanisms						
G4-HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms.	–	–	–	CRS	There were no recorded grievances against ARM relating to its human rights impacts during 2015.
Sub-category: Society						
Aspect: Local communities						
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	√	–	–	CRR, Page 43 CRS	<p>ARM's Corporate Responsibility programme seeks to engage all offices in its activities and communications. Each office is also allocated a budget for local community activity based on the number of employees located at that office. Each office is encouraged to select, donate and engage with local community charities and use their budget accordingly.</p> <p>All ARM people can spend at least one day paid time each year on volunteer work through our TeamARM programme. In 2015 more than 20% of our workforce took this opportunity, devoting 4,385 hours to skills-based volunteering, with more than 90% of our offices actively engaged in TeamARM activities around the world.</p>
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	–	–	–	CRS	<p>Taking into account the nature of our business, location of our operations and our environmental impacts, we do not consider that our operations have any significant actual or potential negative impact on local communities.</p> <p>This view is supported by feedback we receive from the local communities in which we have offices and we operate. This feedback is received and documented as part of our stakeholder engagement process. The feedback does highlight those issues that are of material interest to the local community, but it does not include any serious concerns about our impact. The feedback we do receive is used by ARM to shape its strategy for corporate responsibility in the community.</p>

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Aspect: Anti-corruption						
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	–	–	–	CRS	<p>None of our operations are considered at specific risk of corruption. However, we acknowledge that we operate globally, and within countries that have a typically higher risk of corruption. For example, those highlighted in corruption perception indexes and anti-corruption surveys. Our people also travel frequently and, irrespective of their office location, they conduct business globally.</p> <p>We respond to the risk of corruption by having strict policies for anti-corruption, anti-competition and anti-bribery. All employees must sign off their understanding and acceptance of these policies on an annual basis.</p>
G4-SO4	Communication and training on anti-corruption policies and procedures.	–	–	–	CRS	All employee policies are maintained within Policyzone on our intranet. All employees must sign off their understanding and acceptance of all core policies on an annual basis. This requires on-line training and testing for some of the most critical policies, such as anti-corruption, anti-competition and our Code of Business Conduct and Ethics.
G4-SO5	Confirmed incidents of corruption and actions taken.	–	–	–	CRS	There were no confirmed incidents of corruption involving ARM or its people during 2015.
Aspect: Public policy						
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	–	–	√	Page 30	The Group does not make any political donations.
Aspect: Anti-competitive behaviour						
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	–	–	–	CRS	ARM was not directly named in any legal actions relating to anti-competitive behaviour, anti-trust and monopoly practices in 2015.
Aspect: Compliance						
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	–	–	–	CRS	No fines or non-monetary sanctions were issued to ARM for non-compliance with laws and regulations in any of its global locations during 2015.
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	–	–	–	CRS	<p>Our requirements from suppliers in respect of their impacts on society is included within our standard supplier Terms of Business. All new suppliers being created as repeat vendors in our financial systems (that is excluding one-off payments) are required to agree the standard ARM Terms of Business.</p> <p>During 2015 we have introduced a range of improvements to our supplier management processes. These include a new supplier code of conduct (available at www.arm.com/about/suppliers) and improvements to the information we publish on our website about supplier relationships. The Code of Conduct explains our expectation on suppliers' approaches to ethical and responsible business and avoidance of negative impacts on society.</p>
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	–	–	–	CRS	None identified.

Specific Standard Disclosures

Continued

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
Aspect: Grievance mechanisms for impacts on society						
G4-SO11	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms.	–	–	–	CRS	There were no recorded grievances against ARM relating to its impacts on society during 2015.
Category: Product responsibility						
Aspect: Customer health and safety						
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
Aspect: Product and service labelling						
G4-PR3	Type of product and service information required by the organisations procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	–	–	–	CRS	Aspect not material to ARM. See comment in section above.

Standard Disclosure	Standard Disclosure Title	CR Report	Strategic Report	Governance and Financial	Page Reference	Comment
G4-PR5	Results of surveys measuring customer satisfaction.	–	–	–	CRS	<p>This Aspect, as defined by GRI G4, under the heading Product and Service Labelling, is not considered material to ARM. This is based on the GRI narrative and description of its Aspects.</p> <p>Customer service is measured and reported amongst the businesses' KPIs. We use customer satisfaction surveys to measure our performance in serving customers and in how we respond to their requests for support. During 2015 we extended our customer satisfaction surveys, so that they now include the following areas:</p> <ul style="list-style-type: none"> > Technical Communications Survey (customer experience of ARM product documentation). > Connect Surveys (customer experience of ARM online service portal for secure collection and download of ARM products). > Remote Training Survey (customer experience of receiving remote/online ARM training). > Sales & Legal Survey (customer experience of the under-pinning commercial process with ARM). <p>We use two simple questions to all surveyed customers and Partners. Firstly, 'were you satisfied with the service you received', and 'would you recommend ARM to others and your colleagues?'</p> <p>The stretch performance target for customer satisfaction for 2015 was 90%. This builds on our achievement of 88.1% customer satisfaction rates in 2014.</p> <p>We achieved average scores of 88% for Question 1 (satisfaction) and 92% for Question 2 (recommendation).</p>
Aspect: Marketing and communications						
G4-PR6	Sale of banned or disputed products.	–	–	–	CRS	ARM was not involved in any way in the sale of banned or disputed products during 2015.
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	–	–	–	CRS	There were no incidents of non-compliance with regulatory and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship during 2015.
Aspect: Customer privacy						
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	–	–	–	CRS	No substantiated complaints regarding breaches of customer privacy or loss of customer data were made during 2015.
Aspect: Compliance						
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	–	–	–	CRS	No fines or non-monetary sanctions were issued to ARM for non-compliance with laws and regulations concerning the provision and use of its products and services in any of its global locations during 2015.

GRI G4 Disclosures of Management Approach

This index summarises our approach to managing sustainability topics associated with risks and opportunities, and is provided in accordance with Global Reporting Initiative G4 guidelines.

The 2015 ARM Corporate Responsibility Report has been prepared in accordance with GRI G4 at the Comprehensive level. This requires that we only provide a Disclosures of Management Approach (DMA) for each material Aspect. We have determined that 34 out of the 46 material Aspects presented by the GRI G4 guidance are relevant to ARM and its stakeholders.

Economic category	
Economic Performance; market presence.	See policies and links
Indirect economic impacts.	See policies and links
Procurement practices.	Refer to relevant indicator disclosures in previous sections.
Monitoring and evaluation.	Detailed information on financial goals and performance, including executive management performance and remuneration can be found in the Governance and Financial Report.
Policies and links.	<p>2015 CR Report: www.arm.com/CR</p> <p>2015 Annual Strategic Report: www.arm.com/reporting</p> <p>2015 Annual Governance and Financial Report: www.arm.com/governance</p> <p>ARM Investor Relations website: www.arm.com/ir.</p>
Environment category	
Energy.	<p>The ARM estate generally consumes purchased electricity sourced from a regulated grid on commercial terms. Each site, through its facilities management team, takes responsibility for its own monitoring, management and local reporting, which is coordinated centrally through the Global Estates team. A small amount of purchased gas is used across the global estate, but this is not material to overall consumption.</p> <p>Energy consumption and efficiency is overseen by a central Global Estates team with data reported to the Energy Use and Climate Change Committee (EUCCC) twice a year. The ARM estate consists of 35 offices in 17 countries. It is Group policy to lease offices. This approach has implications on the extent to which ARM can control and implement energy-efficiency for its office space. However, ARM engages closely with landlords to encourage energy-efficient processes and practices wherever possible. ARM has also committed to only leasing office space that is LEED (Leadership in Energy and Environmental Design) Accredited by the US Green Buildings Council (USGBC) or BREEAM rated. BREEAM is the preferred scheme for a number of the national Green Building Councils across Europe. This is demonstrated by our recent office moves in India, China and Austin, all of which are accredited for energy efficiency.</p> <p>Our report covers emissions within operations that fall under ARM's financial control. Therefore the data used accurately represents our global operations with regional conversion factors applied as required. We apply Defra/DECC GHG Conversion Factors for company reporting. Our reporting year is 01 January 2015 to 31st December 2015.</p> <p>Our environmental impact assessment includes energy use and air travel as our material CO₂e contributors. We have excluded non-material emissions related to refrigerant losses in air conditioning systems, emissions related to motor vehicle use and emissions relating to waste streams. See the CR supplement for further information on our emissions reporting methodology, and approach and for our environmental governance model.</p> <p>We calculate intensity based on a mid-year (June 30) total headcount which includes all full time and fixed term employees and contractors. We report our emissions and energy consumption on an absolute basis and also on an intensity basis, with our targets intensity based. Given our continuous, year-on-year growth, it is not practical for us to achieve an absolute reduction in either energy or emissions. But we can do more to reduce our intensity rates and are establishing a comprehensive climate change mitigation strategy to ensure we meet, and even exceed our 2020 targets.</p>

Water, biodiversity, emissions, effluents and waste, products and services, compliance.	<p>ARM has a Global Environmental Policy that addresses the impact of the Company on the environment including offices and operations of ARM. ARM recognises that all human activities interact with the environment and considers environmental management to be an integral part of good business practice. The policy includes a commitment to regularly review the actual and potential environmental interactions of our activities, and to strive for continual improvement in our environmental performance and the prevention of pollution, including the appropriate use of objectives and targets. ARM does not currently have any material impacts or risks relating to materials, water, biodiversity, products and services, compliance, or transport.</p> <p>The ARM Global Environmental Policy includes emissions, effluents and waste. ARM reviews environmental data that is captured by individual operations on a monthly, quarterly and yearly basis. Individual operations ensure data is accurate and is kept up-to-date in the centralised system. Reports are generated and reviewed at a corporate (senior management) level at the monthly EUCCC meeting that the COO attends. Regular updates to the Executive Committee are also made. ARM operates within its ISO 9001 accredited ARM Management System AMS. Processes lie within the AMS to cover all aspects of business risk and ensure they are mitigated, as far as reasonably possible.</p> <p>ARM integrates climate change into its business strategy both operationally and in the development of future products and services. Operationally, the EUCCC manage the strategy. The EUCCC includes key decision makers from all the principal divisions of the business. This ensures that those expected to execute the decisions around carbon reduction are also involved in making them. Our Global Property Director chairs the Committee which also includes our Chief Operating Officer and Head of Procurement.</p>
Transport.	<p>This Aspect is only relevant insofar as it relates to the transport of employees. ARM is a global business and maintaining and building strong relationships with Partners, new customers and colleagues requires a high level of business travel. ARM voluntarily discloses its Scope 3 carbon emissions as they have a material impact on ARM's overall carbon impact. Business travel is carefully monitored and managed by the ARM Travel Team in conjunction with its travel agent partner. A travel policy is in place to provide guidance, and in some cases restrictions, on flights, including travel class. Travel information presented by costs is reported to Management on a monthly basis. Carbon emission data is reported twice a year through the EUCCC.</p>
Supplier environmental assessment.	<p>We include requirements relating to environmental responsibility in our standard supplier Terms of Business. These refer to the suppliers' requirement to demonstrate how they enforce environmental responsibility and comply in all material respects with applicable environmental laws and regulations in force in relation to satisfying their supply.</p> <p>During 2015 we have introduced a range of improvements to our supplier management processes. These include a new supplier code of conduct (available at www.arm.com/about/suppliers) and improvements to the information we publish on our website about supplier relationships.</p>
Environmental grievance mechanisms.	<p>ARM operates a whistleblowing policy for employees to report unethical business practices to senior management in the strictest confidence. This may be used to report environmental concerns. Grievances or other concerns or questions can be raised by external third parties and will be managed and escalated as required. This may include consideration by the Compliance Committee which is responsible for setting appropriate policies and procedures and taking a lead in ensuring compliance with them.</p>
Monitoring and evaluation.	<p>ARM maintains a dedicated system for recording and reporting on its carbon emissions. Aggregated data for the Group as a whole is publicly reported for ARM's Scope 1 and Scope 2 emissions. Detailed data by office, country and region is analysed internally but not currently publicly reported for reasons of materiality. This is because our emissions are not significant in the context of our industry sector, or the countries and regions we operate in.</p> <p>Our emissions occur largely as a result of purchased energy (Scope 2) and business (air) travel (Scope 3). We will consider a more detailed disclosure of our emissions if stakeholders request it.</p> <p>We have the following targets for our environmental performance in respect of energy and emissions:</p> <ul style="list-style-type: none"> > A 30% reduction in tonnes of CO₂e emissions per employee by 2020 from a 2010 baseline. > A 15% reduction in energy consumed per person by 2020 measured in kWh from a 2010 baseline.
Policies and links.	<p>www.cdp.net. www.arm.com/ir. www.arm.com/CR</p>

GRI G4 Disclosures of Management Approach

Continued

Social category	
Sub-category: Labour practices and decent work	
Employment, labour management relations, training and education, diversity and equal opportunity and equal remuneration for women and men.	<p>Our business strategy and performance is a strong platform for positive growth for our people, who are outstanding in our industry. We aim to be the best company to work for in our target markets, with a culture rich in innovation and collaboration. The HR department at ARM enables the delivery of a high performance, high engagement organisation by ensuring that our people policies, systems and processes are efficient, impactful and meritocratic across ARM. The structure of the HR team, its defined roles and responsibility and management oversight is designed to support the corporate strategic objectives of the business.</p> <p>The HR department at ARM is responsible for managing recruitment in collaboration with managers across the business that defines their needs and then work with HR to select new employees. HR also has responsibility for training and education, employee engagement, employee reward and benefits, and internal communications. Policies for equal opportunities and related legal obligations are monitored and managed by HR.</p> <p>ARM strives for equal opportunities for all its employees and does not tolerate any harassment of, or discrimination against, its staff. HR is represented on the ARM Executive Committee by the Executive VP of People.</p>
Occupational health and safety.	<p>The Group operates in an industry and in environments which are considered low risk from a health and safety perspective. However, the safety and welfare of employees, contractors and visitors is a priority in all Group workplaces world-wide.</p> <p>The ARM Facilities Management team are responsible for occupational health and safety. The Group continues to improve its management systems in this area with an audit programme that includes external auditing of processes and offices. The ultimate responsibility for health and safety sits with the Board and the CEO.</p>
Supplier assessment for labour practices.	This Aspect is managed through the procurement function and the use of the standard ARM Terms of Business as a reference point for supplier's respect for labour practices and human rights.
Labour practices grievance mechanisms.	<p>The Compliance Committee oversees compliance throughout the business with all relevant international regulations, including direct oversight of employment, health and safety, environmental, business continuity and security processes and policies. The Committee consists of the General Counsel, the Chief Operating Officer, the Chief Financial Officer, the EVP, People, and the VP Business Assurance/Head of Internal Audit, the Chief Information Officer, the VP Operations and the Company Secretary.</p> <p>ARM operates a whistleblowing policy for employees to report unethical business practices to senior management in the strictest confidence. This may be used to report concerns over labour practices. Management structures may be used internally to raise issues and concerns. All employees have a dedicated HR representative who then can then discuss any matters of concern in the strictest confidence.</p> <p>Grievances or other concerns or questions can be raised by external third parties and will be managed and escalated as required. This may include consideration by the Compliance Committee which is responsible for setting appropriate policies and procedures and taking a lead in ensuring compliance with them.</p>
Monitoring and evaluation.	<p>One of the corporate key performance indicators of ARM is to ensure performance appraisals are completed by all staff. If they fail to achieve this, there is a ceiling on the individual performance level these senior staff can obtain.</p> <p>The ARM people engagement survey is also used to measure employee satisfaction, attitude and can be used to raise issues, concerns or suggestions for improvement. Selected survey results are also used a KPIs for the business.</p>
Policies and links.	<p>2015 Annual Governance and Financial Report: www.arm.com/governance</p> <p>www.arm.com/careers/life-at-arm/index.php.</p>

Sub-category: Human rights	
Non-discrimination, freedom of association and collective bargaining, forced or compulsory labour.	ARM has signed the Universal Declaration of Human Rights and has integrated relevant human rights principles into its policies for employees and contractors. ARM issued a policy on Human Rights during 2013. This policy complements existing policies, which include the Global Equal Employment Opportunities, the Company Health and Safety Policy, Grievance policy and procedure, the Company Whistleblowing Policy, and the Company Code of Business Conduct and Ethics. All policies are endorsed by the Board and Executive management.
Supplier human rights assessment.	This Aspect is managed through the procurement function and the use of the standard ARM Terms of Business as a reference point for suppliers' respect for human rights.
Human rights grievance mechanisms.	The Compliance Committee oversees compliance throughout the business with all relevant international regulations, including direct oversight of employment, health and safety, environmental, business continuity and security processes and policies. The Committee consists of the General Counsel, the Chief Operating Officer, the Chief Financial Officer, the EVP, People, the VP Business Assurance/Head of Internal Audit, the Chief Information Officer, the VP Operations and the Company Secretary.
Monitoring and evaluation.	Refer to the role of the Compliance Committee described above.
Policies and links.	2015 CR Report: www.arm.com/CR 2015 Annual Governance and Financial Report: www.arm.com/governance http://ir.arm.com/phoenix.zhtml?c=197211&p=irol-govconduct
Sub-category: Society	
Local communities.	Engagement with the local community is managed through the Corporate Responsibility function. Refer to the 2015 Corporate Responsibility for detail on the strategy and approach for delivering outreach and engagement with the community. This report, together with this reporting supplement provides full detail of the governance structures and performance monitoring and evaluation.
Public policy.	Public policy engagement operates within the Corporate Responsibility function. Further details of our approaches and activity can be found in the 2015 Corporate Responsibility Report, page 19.
Anti-competitive behaviour, compliance.	ARM endeavours to be honest and fair in its relationships with its customers and suppliers and to be a good corporate citizen respecting the laws of the countries in which it operates. These policies include Conflict Minerals, Global Equal Employment Opportunities, Company Health and Safety Policy, grievance policy and procedures, the Company Whistleblowing Policy, and the Company Code of Business Conduct and Ethics.
Supplier assessment for impact on society.	This Aspect is managed through the procurement function and the use of the standard ARM Terms of Business as a reference point for suppliers' consideration of their impact on society and corporate social responsibility approaches.
Grievance mechanisms for impacts on society.	ARM operates a whistleblowing policy for employees to report unethical business practices to senior management in the strictest confidence. This may be used to report concerns over labour practices. Grievances or other concerns or questions can be raised by external third parties and will be managed and escalated as required. This may include consideration by the Compliance Committee which is responsible for setting appropriate policies and procedures and taking a lead in ensuring compliance with them.
Monitoring and evaluation.	See policies and links
Policies and links.	2015 CR Report: www.arm.com/cr 2015 Annual Strategic Report: www.arm.com/reporting 2015 Annual Governance and Financial Report: www.arm.com/governance ARM Investor Relations website: www.arm.com/ir

GRI G4 Disclosures of Management Approach

Continued

Sub-category: Product responsibility

Marketing communications, customer privacy and compliance.	Our approach is driven by our Code of Business Conduct and Ethics and related policies include anti-bribery, anti-corruption and anti-competition. ARM also demonstrates its commitment to operating in a responsible and ethical manner at all times, and in all activities through its membership of the UNGC LEAD Programme and its annual Communication on Progress against the 21 advanced criteria that support the ten Global Compact principles. This is endorsed by the CEO in his annual statement by expressing continued support for the Global Compact and renewing the ongoing commitment of the organisation to the initiative and principles. See also policies and links.
Monitoring and evaluation.	This reporting supplement provides the basis for accumulating our performance data. Internal performance across these Aspects is managed through the ARM annual feedback and development system (AFDS).
Policies and links.	www.unglobalcompact.org/participant/12151-ARM-Holdings-plc . www.arm.com/ir .

ARM Holdings plc
110 Fulbourn Road
Cambridge CB1 9NJ
United Kingdom
Telephone +44 (0)1223 400400
Facsimile +44 (0)1223 400410
www.arm.com
twitter: [@ARMHoldings](https://twitter.com/ARMHoldings)
youtube.com/armflix
linkedin.com/company/arm